

8659. By Mr. WEST: Petition by 29 members of the Woman's Home Missionary Society of Delaware, Ohio, petitioning Congress to enact a law which will (1) establish a Federal motion-picture commission; (2) declare the motion-picture industry a public utility; (3) regulate the trade practices of the industry used in the distribution of pictures; (4) supervise the selection and treatment of subject material during the process of production; and (5) provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; also urging support of bill No. 1079 on the Senate calendar and Senate Resolution No. 170; to the Committee on Interstate and Foreign Commerce.

8660. By the SPEAKER: Petition of John P. Sherrod and other citizens of Kansas City, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8661. Also, petition of National Committee of Unemployed Councils of the United States of America; to the Committee on Ways and Means.

8662. By Mr. DOUTRICH: Petition of the Woman's Christian Temperance Unions of Enola and Mechanicsburg, Pa., and the Ladies' Bible Class, No. 1, United Brethren in Christ Church, of Shiremanstown, Pa., protesting against any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8663. Also, petition of George J. Smith, presenting a claim for the consideration of Congress; to the Committee on Claims.

8664. By Mr. MILLIGAN: Petition signed by citizens of Clay County, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

SENATE

TUESDAY, DECEMBER 6, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, at whose word man goeth forth to his work and to his labor until the evening, give us this day a clearer vision of the duty, the motive, and the end of true service, that we may steel ourselves against the lust of ease and never count the cost for others' greater need.

And if Thou seest fit to bring us into that arid twilight land where judgment misleads, emotion withers, and will seems but a broken reed, because the staff of self on which we leaned was all too frail, then do Thou in Thy tender love support us in Thine everlasting arms that, being delivered from the disabling fear of failure, we may put our whole trust and confidence in Thy enabling care.

We ask it in the name of Jesus Christ, our Lord. Amen.

ALBEN W. BARKLEY, a Senator from the State of Kentucky; HIRAM BINGHAM, a Senator from the State of Connecticut; and BRONSON CUTTING, a Senator from the State of New Mexico, appeared in their seats to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, informed the Senate that a quorum of the House of Representatives had appeared and that the House was ready to proceed with business.

The message also informed the Senate that a committee of three Members was appointed by the Speaker, on the part of the House of Representatives, to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House had assembled

and that Congress was ready to receive any communication he might be pleased to make, and that the Speaker had appointed Mr. RAINEY, Mr. COLLIER, and Mr. SNELL members of the committee on the part of the House of Representatives.

The message communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. WESLEY L. JONES, late a Senator from the State of Washington.

The message also communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado.

The message further communicated to the Senate the intelligence of the death of Hon. J. CHARLES LINTHICUM, late a Representative from the State of Maryland, and transmitted resolutions of the House thereon.

The message also communicated to the Senate the intelligence of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia, and transmitted resolutions of the House thereon.

The message further communicated to the Senate the intelligence of the death of Hon. JAMES C. McLAUGHLIN, late a Representative from the State of Michigan, and transmitted resolutions of the House thereon.

The message also communicated to the Senate the intelligence of the death of Hon. CHARLES A. KARCH, late a Representative from the State of Illinois, and transmitted resolutions of the House thereon.

NOTIFICATION TO THE PRESIDENT

Mr. WATSON and Mr. ROBINSON of Arkansas advanced in the center aisle, and

Mr. WATSON said: Mr. President, the joint committee appointed for the purpose of waiting upon the President to inform him that the two Houses of Congress are organized and are ready for business and to inquire whether he has any message for them, have performed that duty and have been informed by the President that he will this day transmit to both Houses a message in writing.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kean	Schall
Austin	Dale	Kendrick	Sheppard
Bailey	Dickinson	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Fletcher	Long	Smoot
Bingham	Frazier	McGill	Steiwer
Black	George	McKellar	Swanson
Blaine	Glass	McNary	Thomas, Okla.
Borah	Glenn	Metcalf	Townsend
Bulkley	Goldsborough	Moses	Trammell
Bulow	Gore	Neely	Tydings
Byrnes	Grammer	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walker
Cohen	Hatfield	Patterson	Walsh, Mass.
Connally	Hawes	Pittman	Walsh, Mont.
Coolidge	Hayden	Reed	Watson
Copeland	Hebert	Reynolds	Wheeler
Costigan	Hull	Robinson, Ark.	White
Couzens	Johnson	Robinson, Ind.	

Mr. BORAH. My colleague [Mr. THOMAS of Idaho] is absent on account of illness.

Mr. FESS. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from Nebraska [Mr. HOWELL] are necessarily absent.

Mr. SHEPPARD. I desire to announce that the Senator from Illinois [Mr. LEWIS] is necessarily detained from the Senate by illness. He is paired on all questions for the day with the Senator from Nebraska [Mr. HOWELL].

I also wish to announce that the senior Senator from New Mexico [Mr. BRATTON] and the junior Senator from Mississippi [Mr. STEPHENS] are necessarily detained in their respective States on matters of importance. The Senator

from New Mexico [Mr. BRATTON] is paired with the Senator from New Hampshire [Mr. KEYES]. The Senator from Mississippi [Mr. STEPHENS] is paired with the junior Senator from Indiana [Mr. ROBINSON].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PRESIDENT'S ANNUAL MESSAGE (H. DOC. NO. 401)

Mr. Latta, one of the secretaries of the President, was announced and said:

Mr. President, I am directed by the President of the United States to deliver to the Senate a message in writing. The message was received by the secretary to the majority, C. A. Loeffler, and handed to the Vice President.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

In accord with my constitutional duty, I transmit herewith to the Congress information upon the state of the Union together with recommendation of measures for its consideration.

Our country is at peace. Our national defense has been maintained at a high state of effectiveness. All of the executive departments of the Government have been conducted during the year with a high devotion to public interest. There has been a far larger degree of freedom from industrial conflict than hitherto known. Education and science have made further advances. The public health is to-day at its highest known level. While we have recently engaged in the aggressive contest of a national election, its very tranquillity and the acceptance of its results furnish abundant proof of the strength of our institutions.

In the face of widespread hardship our people have demonstrated daily a magnificent sense of humanity, of individual and community responsibility for the welfare of the less fortunate. They have grown in their conceptions and organization for cooperative action for the common welfare.

In the provision against distress during this winter, the great private agencies of the country have been mobilized again; the generosity of our people has again come into evidence to a degree in which all America may take great pride. Likewise the local authorities and the States are engaged everywhere in supplemental measures of relief. The provisions made for loans from the Reconstruction Finance Corporation, to States that have exhausted their own resources, guarantee that there should be no hunger or suffering from cold in the country. The large majority of States are showing a sturdy cooperation in the spirit of the Federal aid.

The Surgeon General, in charge of the Public Health Service, furnishes me with the following information upon the state of public health:

Mortality rate per 1,000 of population on an annual basis from representative States

	General	Infant
First 9 months of—		
1928.....	11.9	67.8
1929.....	12.0	65.8
1930.....	11.4	62.0
1931.....	11.2	60.0
1932.....	10.6	55.0

The sickness rates from data available show the same trends. These facts indicate the fine endeavor of the agencies which have been mobilized for care of those in distress.

ECONOMIC SITUATION

The unparalleled world-wide economic depression has continued through the year. Due to the European collapse, the situation developed during last fall and winter into a series of most acute crises. The unprecedented emergency measures enacted and policies adopted undoubtedly saved the country from economic disaster. After serving to defend

the national security, these measures began in July to show their weight and influence toward improvement of conditions in many parts of the country. The following tables of current business indicators show the general economic movement during the past 11 months.

Monthly business indices with seasonal variations eliminated
[Monthly average 1923-1925=100]

Year and month	Industrial production	Factory employment	Freight-car loadings	Department store sales, value	Exports, value	Imports, value	Building contracts, all types	Industrial electric power consumption
1931								
December.....	74	69.4	69	81	46	48	38	89.1
1932								
January.....	72	68.1	64	78	39	42	31	93.9
February.....	69	67.8	62	78	45	41	27	98.8
March.....	67	66.4	61	72	41	37	26	88.0
April.....	63	64.3	59	80	38	36	27	82.2
May.....	60	62.1	54	73	37	34	26	82.0
June.....	59	60.0	52	71	34	36	27	78.1
July.....	58	58.3	51	67	32	27	27	79.2
August.....	60	58.8	51	66	31	29	30	73.5
September.....	66	60.3	54	70	33	32	30	84.0
October.....	66	61.1	57	70	33	32	29	84.4

The measures and policies which have procured this turn toward recovery should be continued until the depression is passed, and then the emergency agencies should be promptly liquidated. The expansion of credit facilities by the Federal reserve system and the Reconstruction Finance Corporation has been of incalculable value. The loans of the latter for reproductive works, and to railways for the creation of employment; its support of the credit structure through loans to banks, insurance companies, railways, building and loan associations, and to agriculture has protected the savings and insurance policies of millions of our citizens and has relieved millions of borrowers from duress; they have enabled industry and business to function and expand. The assistance given to farm-loan banks, the establishment of the home-loan banks and agricultural credit associations—all in their various ramifications have placed large sums of money at the disposal of the people in protection and aid. Beyond this, the extensive organization of the country in voluntary action has produced profound results.

The following table indicates direct expenditures of the Federal Government in aid to unemployment, agriculture, and financial relief over the past four years. The sums applied to financial relief multiply themselves many fold, being in considerable measure the initial capital supplied to the Reconstruction Finance Corporation, farm-loan banks, and so forth, which will be recovered to the Treasury.

	Public works ¹	Agricultural relief and financial loans
Fiscal year ending June 30—		
1930.....	\$410,420,000	\$156,100,000
1931.....	574,870,000	196,700,000
1932.....	655,880,000	772,700,000
1933.....	717,260,000	62,000,000
Total.....	2,358,430,000	1,177,500,000

¹ Public building, highways, rivers and harbors and their maintenance, naval and other vessels construction, hospitals, etc.

Continued constructive policies promoting the economic recovery of the country must be the paramount duty of the Government. The result of the agencies we have created and the policies we have pursued has been to buttress our whole domestic financial structure and greatly to restore credit facilities. But progress in recovery requires another element as well—that is, fully restored confidence in the future. Institutions and men may have resources and credit but unless they have confidence progress is halting and insecure.

There are three definite directions in which action by the Government at once can contribute to strengthen further the forces of recovery by strengthening of confidence. They

are the necessary foundations to any other action, and their accomplishment would at once promote employment and increase prices.

The first of these directions of action is the continuing reduction of all Government expenditures, whether national, State, or local. The difficulties of the country demand undiminished efforts toward economy in government in every direction. Embraced in this problem is the unquestioned balancing of the Federal Budget. That is the first necessity of national stability and is the foundation of further recovery. It must be balanced in an absolutely safe and sure manner if full confidence is to be inspired.

The second direction for action is the complete reorganization at once of our banking system. The shocks to our economic life have undoubtedly been multiplied by the weakness of this system, and until they are remedied recovery will be greatly hampered.

The third direction for immediate action is vigorous and whole-souled cooperation with other governments in the economic field. That our major difficulties find their origins in the economic weakness of foreign nations requires no demonstration. The first need to-day is strengthening of commodity prices. That can not be permanently accomplished by artificialities. It must be accompanied by expansion in consumption of goods through the return of stability and confidence in the world at large and that in turn can not be fully accomplished without cooperation with other nations.

BALANCING THE BUDGET

I shall in due course present the Executive Budget to the Congress. It will show proposed reductions in appropriations below those enacted by the last session of the Congress by over \$830,000,000. In addition I shall present the necessary Executive orders under the recent act authorizing the reorganization of the Federal Government which, if permitted to go into force, will produce still further substantial economies. These sums in reduction of appropriations will, however, be partially offset by an increase of about \$250,000,000 in uncontrollable items such as increased debt services, and so forth.

In the Budget there is included only the completion of the Federal public works projects already undertaken or under contract. Speeding up of Federal public works during the past four years as an aid to employment has advanced many types of such improvements to the point where further expansion can not be justified in their usefulness to the Government or the people. As an aid to unemployment we should beyond the normal constructive programs substitute reproductive or so-called self-liquidating works. Loans for such purposes have been provided for through the Reconstruction Finance Corporation. This change in character of projects directly relieves the taxpayer and is capable of expansion into a larger field than the direct Federal works. The reproductive works constitute an addition to national wealth and to future employment, whereas further undue expansion of Federal public works is but a burden upon the future.

The Federal construction program thus limited to commitments and work in progress under the proposed appropriations contemplates expenditures for the next fiscal year, including naval and other vessel construction, as well as other forms of public works and maintenance, of a total of \$442,769,000, as compared with \$717,262,000 for the present year.

The expenditure on such items over the four years ending June 30 next will amount to \$2,350,000,000, or an amount of construction work eight times as great as the cost of the Panama Canal and, except for completion of certain long-view projects, places the Nation in many directions well ahead of its requirements for some years to come. A normal program of about \$200,000,000 per annum should hereafter provide for the country's necessities and will permit substantial future reduction in Federal expenditures.

I recommend that the furlough system installed last year be continued not only because of the economy produced but

because, being tantamount to the "5-day week," it sets an example which should be followed by the country and because it embraces within its workings the "spread work" principle and thus serves to maintain a number of public servants who would otherwise be deprived of all income. I feel, however, in view of the present economic situation and the decrease in the cost of living by over 20 per cent, that some further sacrifice should be made by salaried officials of the Government over and above the $8\frac{1}{3}$ per cent reduction under the furlough system. I will recommend that after exempting the first \$1,000 of salary there should be a temporary reduction for one year of 11 per cent of that part of all Government salaries in excess of the \$1,000 exemption, the result of which, combined with the furlough system, will average about 14.8 per cent reduction in pay to those earning more than \$1,000.

I will recommend measures to eliminate certain payments in the veterans' services. I conceive these outlays were entirely beyond the original intentions of Congress in building up veterans' allowances. Many abuses have grown up from ill-considered legislation. They should be eliminated. The Nation should not ask for a reduction in allowances to men and dependents whose disabilities rise out of war service nor to those veterans with substantial service who have become totally disabled from non-war-connected causes and who are at the same time without other support. These latter veterans are a charge on the community at some point, and I feel that in view of their service to the Nation as a whole the responsibility should fall upon the Federal Government.

Many of the economies recommended in the Budget were presented at the last session of the Congress but failed of adoption. If the Economy and Appropriations Committees of the Congress in canvassing these proposed expenditures shall find further reductions which can be made without impairing essential Government services, it will be welcomed both by the country and by myself. But under no circumstances do I feel that the Congress should fail to uphold the total of reductions recommended.

Some of the older revenues and some of the revenues provided under the act passed during the last session of the Congress, particularly those generally referred to as the nuisance taxes, have not been as prolific of income as had been hoped. Further revenue is necessary in addition to the amount of reductions in expenditures recommended. Many of the manufacturers' excise taxes upon selected industries not only failed to produce satisfactory revenues, but they are in many ways unjust and discriminatory. The time has come when, if the Government is to have an adequate basis of revenue to assure a balanced Budget, this system of special manufacturers' excise taxes should be extended to cover practically all manufactures at a uniform rate, except necessary food and possibly some grades of clothing.

At the last session the Congress responded to my request for authority to reorganize the Government departments. The act provides for the grouping and consolidation of executive and administrative agencies according to major purpose, and thereby reducing the number and overlap and duplication of effort. Executive orders issued for these purposes are required to be transmitted to the Congress while in session and do not become effective until after the expiration of 60 calendar days after such transmission, unless the Congress shall sooner approve.

I shall issue such Executive orders within a few days grouping or consolidating over fifty executive and administrative agencies including a large number of commissions and "independent" agencies.

The second step, of course, remains that after these various bureaus and agencies are placed cheek by jowl into such groups, the administrative officers in charge of the groups shall eliminate their overlap and still further consolidate these activities. Therein lie large economies.

The Congress must be warned that a host of interested persons inside and outside the Government whose vision is concentrated on some particular function will at once protest against these proposals. These same sorts of activities

have prevented reorganization of the Government for over a quarter of a century. They must be disregarded if the task is to be accomplished.

BANKING

The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system. I first called attention of the Congress in 1929 to this condition, and I have unceasingly recommended remedy since that time. The subject has been exhaustively investigated both by the committees of the Congress and the officers of the Federal Reserve system.

The banking and financial system is presumed to serve in furnishing the essential lubricant to the wheels of industry, agriculture, and commerce, that is, credit. Its diversion from proper use, its improper use, or its insufficiency instantly brings hardship and dislocation in economic life. As a system our banking has failed to meet this great emergency. It can be said without question of doubt that our losses and distress have been greatly augmented by its wholly inadequate organization. Its inability as a system to respond to our needs is to-day a constant drain upon progress toward recovery. In this statement I am not referring to individual banks or bankers. Thousands of them have shown distinguished courage and ability. On the contrary, I am referring to the system itself, which is so organized, or so lacking in organization, that in an emergency its very mechanism jeopardizes or paralyzes the action of sound banks and its instability is responsible for periodic dangers to our whole economic system.

Bank failures rose in 1931 to 10½ per cent of all the banks as compared to 1½ per cent of the failures of all other types of enterprise. Since January 1, 1930, we have had 4,665 banks suspend, with \$3,390,000,000 in deposits. Partly from fears and drains from abroad, partly from these failures themselves (which indeed often caused closing of sound banks), we have witnessed hoarding of currency to an enormous sum, rising during the height of the crisis to over \$1,600,000,000. The results from interreaction of cause and effect have expressed themselves in strangulation of credit which at times has almost stifled the Nation's business and agriculture. The losses, suffering, and tragedies of our people are incalculable. Not alone do they lie in the losses of savings to millions of homes, injury by deprivation of working capital to thousands of small businesses, but also, in the frantic pressure to recall loans to meet pressures of hoarding and in liquidation of failed banks, millions of other people have suffered in the loss of their homes and farms, businesses have been ruined, unemployment increased, and farmers' prices diminished.

That this failure to function is unnecessary and is the fault of our particular system is plainly indicated by the fact that in Great Britain, where the economic mechanism has suffered far greater shocks than our own, there has not been a single bank failure during the depression. Again in Canada, where the situation has been in large degree identical with our own, there have not been substantial bank failures.

The creation of the Reconstruction Finance Corporation and the amendments to the Federal reserve act served to defend the Nation in a great crisis. They are not remedies; they are relief. It is inconceivable that the Reconstruction Corporation, which has extended aid to nearly 6,000 institutions and is manifestly but a temporary device, can go on indefinitely.

It is to-day a matter of satisfaction that the rate of bank failures, of hoarding, and the demands upon the Reconstruction Corporation have greatly lessened. The acute phases of the crisis have obviously passed and the time has now come when this national danger and this failure to respond to national necessities must be ended and the measures to end them can be safely undertaken. Methods of reform have been exhaustively examined. There is no reason now why solution should not be found at the present session of the Congress. Inflation of currency or govern-

mental conduct of banking can have no part in these reforms. The Government must abide within the field of constructive organization, regulation, and the enforcement of safe practices only.

Parallel with reform in the banking laws must be changes in the Federal farm-loan banking system and in the joint-stock land banks. Some of these changes should be directed to permanent improvement and some to emergency aid to our people where they wish to fight to save their farms and homes.

I wish again to emphasize this view—that these widespread banking reforms are a national necessity and are the first requisites for further recovery in agriculture and business. They should have immediate consideration as steps greatly needed to further recovery.

ECONOMIC COOPERATION WITH OTHER NATIONS

Our major difficulties during the past two years find their origins in the shocks from economic collapse abroad which in turn are the aftermath of the Great War. If we are to secure rapid and assured recovery and protection for the future we must cooperate with foreign nations in many measures.

We have actively engaged in a World Disarmament Conference where, with success, we should reduce our own tax burdens and the tax burdens of other major nations. We should increase political stability of the world. We should lessen the danger of war by increasing defensive powers and decreasing offensive powers of nations. We would thus open new vistas of economic expansion for the world.

We are participating in the formulation of a World Economic Conference, successful results from which would contribute much to advance in agricultural prices, employment, and business. Currency depreciation and correlated forces have contributed greatly to decrease in price levels. Moreover, from these origins rise most of the destructive trade barriers now stifling the commerce of the world. We could by successful action increase security and expand trade through stability in international exchange and monetary values. By such action world confidence could be restored. It would bring courage and stability, which will reflect into every home in our land.

The European governments, obligated to us in war debts, have requested that there should be suspension of payments due the United States on December 15 next, to be accompanied by exchange of views upon this debt question. Our Government has informed them that we do not approve of suspension of the December 15 payments. I have stated that I would recommend to the Congress methods to overcome temporary exchange difficulties in connection with this payment from nations where it may be necessary.

In the meantime I wish to reiterate that here are three great fields of international action which must be considered not in part but as a whole. They are of most vital interest to our people. Within them there are not only grave dangers if we fail in right action but there also lie immense opportunities for good if we shall succeed. Within success there lie major remedies for our economic distress and major progress in stability and security to every fire-side in our country.

The welfare of our people is dependent upon successful issue of the great causes of world peace, world disarmament, and organized world recovery. Nor is it too much to say that to-day as never before the welfare of mankind and the preservation of civilization depend upon our solution of these questions. Such solutions can not be attained except by honest friendship, by adherence to agreements entered upon until mutually revised and by cooperation amongst nations in a determination to find solutions which will be mutually beneficial.

OTHER LEGISLATION

I have placed various legislative needs before the Congress in previous messages, and these views require no amplification on this occasion. I have urged the need for reform in our transportation and power regulation, in the antitrust laws as applied to our national-resource industries, western

range conservation, extension of Federal aid to child-health services, membership in the World Court, the ratification of the Great Lakes-St. Lawrence seaway treaty, revision of the bankruptcy acts, revision of Federal court procedure, and many other pressing problems.

These and other special subjects I shall where necessary deal with by special communications to the Congress.

The activities of our Government are so great, when combined with the emergency activities which have arisen out of the world crisis, that even the briefest review of them would render the annual message unduly long. I shall therefore avail myself of the fact that every detail of the Government is covered in the reports to the Congress by each of the departments and agencies of the Government.

CONCLUSION

It seems to me appropriate upon this occasion to make certain general observations upon the principles which must dominate the solution of problems now pressing upon the Nation. Legislation in response to national needs will be effective only if every such act conforms to a complete philosophy of the people's purposes and destiny. Ours is a distinctive government with a unique history and background, consciously dedicated to specific ideals of liberty and to a faith in the inviolable sanctity of the individual human spirit. Furthermore, the continued existence and adequate functioning of our government in preservation of ordered liberty and stimulation of progress depends upon the maintenance of State, local, institutional, and individual sense of responsibility. We have builded a system of individualism peculiarly our own which must not be forgotten in any governmental acts, for from it have grown greater accomplishments than those of any other nation.

On the social and economic sides, the background of our American system and the motivation of progress is essentially that we should allow free play of social and economic forces as far as will not limit equality of opportunity and as will at the same time stimulate the initiative and enterprise of our people. In the maintenance of this balance the Federal Government can permit of no privilege to any person or group. It should act as a regulatory agent and not as a participant in economic and social life. The moment the Government participates, it becomes a competitor with the people. As a competitor it becomes at once a tyranny in whatever direction it may touch. We have around us numerous such experiences, no one of which can be found to have justified itself except in cases where the people as a whole have met forces beyond their control, such as those of the Great War and this great depression, where the full powers of the Federal Government must be exerted to protect the people. But even these must be limited to an emergency sense and must be promptly ended when these dangers are overcome.

With the free development of science and the consequent multitude of inventions, some of which are absolutely revolutionary in our national life, the Government must not only stimulate the social and economic responsibility of individuals and private institutions but it must also give leadership to cooperative action amongst the people which will soften the effect of these revolutions and thus secure social transformations in an orderly manner. The highest form of self-government is the voluntary cooperation within our people for such purposes.

But I would emphasize again that social and economic solutions, as such, will not avail to satisfy the aspirations of the people unless they conform with the traditions of our race, deeply grooved in their sentiments through a century and a half of struggle for ideals of life that are rooted in religion and fed from purely spiritual springs.

HERBERT HOOVER.

THE WHITE HOUSE, December 6, 1932.

The VICE PRESIDENT. The message will lie on the table.

THE BANKING SITUATION

Mr. FLETCHER. Mr. President, the President in his message very appropriately gave a great deal of attention to the subject of banking.

I have received numerous letters bearing on this subject, one of which I ask to have inserted in the RECORD. While the President was not very specific as to the reforms he would recommend, it seems to me the general subject is one of very great importance.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. CATHERINE'S CHURCH,
Algonac, Mich., December 1, 1932.

The Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: For the past several months I have had quite a number of people call at my office asking my opinion as to what they should do with their savings (some of them being lucky enough to have some money left). They seem to have no confidence in the future of the banks, but do not wish to be looked upon as hoarders, and try to get me to guarantee the opinion that their money is safe in the banks.

Upon investigation I find there has been a considerable and steady withdrawal of funds from the two banks in this town. This method of withdrawal, although not to be classified as a run, nevertheless has necessitated a recourse to the Reconstruction Finance Corporation. This temporary strengthening of the banks has not stopped the withdrawals, nor has it changed the desire of the people that they get a guaranty. This all in spite of the fact that there has not been a single bank failure in our immediate vicinity in St. Clair County.

Investigating in a different direction I find that there is a considerable amount of secret hoarding which these people tell me, with the understanding and the confidence that I will not divulge their secret.

Knowing that there is to be some activity in the coming session of Congress toward the Government guaranty of all banks, I have the nerve to think that perhaps this information might be welcomed by you. Knowing also the terrible calamity and suffering induced by the closing of a bank, I feel that we should go to almost any end to avert such a catastrophe. I have been told that this legislation would be of no cost to the Government, that the banks would gladly subscribe to this form of insurance of their continuation in business.

If the above statements are true I feel that you are enough interested that you will do all you can not to let our people suffer further, which they will do if something is not done to strengthen their confidence in the institutions which are basically sound or they would not be in existence to-day. And my opinion is that these banks and every bank in this vicinity must bow to the slow disintegration of their foundations caused by the unrest and lack of confidence.

Thanking you for your interest in things pertaining to our welfare in the past, and with personal regards, I am,

Yours very sincerely,

WALTER R. HARDY.

PROHIBITION AMENDMENT OF THE CONSTITUTION

Mr. GLASS. Mr. President, I ask unanimous consent to take from the Calendar, for the purpose of reference to the Judiciary Committee, Senate Joint Resolution 202, Order of Business No. 1096, proposing an amendment to the Constitution of the United States relative to the eighteenth amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. WATSON. Mr. President, do I understand the request to be that we take the joint resolution from the Calendar and refer it to the Judiciary Committee?

Mr. GLASS. That is the request.

Mr. WATSON. I have no objection.

Mr. GLASS. I may say to the Senator that I have reasonable assurance that the Judiciary Committee will give prompt attention to the consideration of the joint resolution, and will report it back to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, may I add to what has been said by the Senator from Virginia that I hope his request will be granted, and that the Judiciary Committee will proceed to the consideration of this and other joint resolutions relating to the same subject, with a view to action.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia? The Chair hears none, and the joint resolution will be referred to the Committee on the Judiciary.

THE TOP STRUCTURE

Mr. LONG. Mr. President, if I thought the chief issue of the last presidential campaign was receiving consideration from the present party leaders to the extent to which it was considered by the people, I should feel it entirely

unnecessary and out of order to say anything here to-day.

I am afraid that the real issue that concerned the nomination of the successful candidate, and which I think prompted his election, is being lost sight of in our discussions and negotiations. Naturally we have patronage to dispense. We are all interested in the positions which we want to secure for our friends. There is a great deal of bank trouble. These things substantially divert attention away from anything else; and for those reasons the chief issue of the campaign appears not to be receiving very much attention, particularly as it concerns our immediate case.

The President, in his message this morning, again recommends a sales tax. There seems to be quite a little effort to roll this issue along in an easy-coasting way as a means of solving the Government's difficulties in failing to balance the Budget.

The main issue, Mr. President and Senators, upon which President-elect Roosevelt was nominated for the office of President of the United States, was the decentralization of wealth. The most noticed issue upon which he was elected was the abolition of concentration of the fortunes and wealth of this country in the hands of a few people. That issue attracted such favorable notice among the American people that the present President of the United States, in the closing days of the campaign, was tempted himself to announce against the concentration of wealth in the hands of a few people. In his Madison Square Garden speech even our present President, Mr. Hoover, said:

My conception of America is a land where men and women may walk in ordered liberty, where they may enjoy the advantages of wealth, not concentrated in the hands of a few but diffused through the lives of all.

A great deal has been said by the Republican press, and some by the Democratic press, as to what the President elect was going to do with the roughly styled "red," radical, progressive, or whatever called, class of Senators who assisted materially in the nomination of President-elect Roosevelt. A great deal is said about the Dill-Wheeler-Long and other senatorial blocs, of which I know nothing except what I read in the papers.

I can say, in defense of the Senator from Montana [Mr. WHEELER] and the Senator from Washington [Mr. DILL], that they are not to be mired and found at fault for any such combination, because I know nothing of it myself, although I would consider it much to my aggravated honor, if such a thing could be possible, in the calculations of myself and some of my friends, if I were a member of any such bloc.

The question is, however, What is going to be done with those composing the supposed-to-be progressive bloc of this Chamber, who, so the publications tell us, were so necessary to the nomination of the President elect but perhaps not so necessary to the election of the President elect?

If the Senate and the Congress interpret the will of the people of America, as expressed in the last election, even through the votes cast for the Republican presidential candidate, as well as those cast for the Democratic candidate, the first thing with which this Congress must concern itself is organizing along the lines to decentralize wealth in the United States.

I expect to give our President elect the kind of support which I would expect if I were in his shoes and he were in my place. I have had the fortune or misfortune to have been a governor once in my lifetime, and I know the trials and tribulations and the lack of time which one occupying the position of Chief Executive meets in his desire to formulate the legislation necessary to carry out a platform. It is necessary that such legislation be to a large extent formulated, planned, executed by the men in this legislative Chamber and in that at the other end of the Capitol.

What did President-elect Roosevelt say? I want it understood in the beginning, and at all times, that I am now undertaking, and will hereafter undertake, to in no wise frustrate, hamper, hinder, or otherwise place any obstacle in the

way of carrying out the platform and purposes of our President elect; that I am first and foremost, and here this morning, undertaking to make easy the task, and to write into accomplishment what our President elect undertook to give to this country.

I read, Mr. President, from the speech of Governor Roosevelt delivered at the Commonwealth Club in San Francisco, Calif., on September 23, 1932. This is what he said dealing with the philosophy of government:

Just as freedom to farm has ceased—

And he tells why—

Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has been preempted altogether by the great corporations, and even in the fields which still have no great concerns the small man starts under a handicap.

The unfeeling statistics of the past three decades show that the independent business man is running a losing race. Perhaps he is forced to the wall; perhaps he can not command credit; perhaps he is "squeezed out," in Mr. Wilson's words, by highly organized corporate competitors, as your corner grocery man can tell you.

Recently a careful study was made of the concentration of business in the United States.

It showed that our economic life was dominated by some six hundred and odd corporations, who controlled two-thirds of American industry. Ten million small business men divided the other third.

More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.

Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

I now read again from the speech of the President elect from which I have just quoted:

The day of the great promoter or the financial titan, to whom we granted anything if only he would build or develop, is over. Our task now is not discovery or exploitation of natural resources or necessarily producing more goods.

It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of underconsumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people.

The day of enlightened administration has come.

Just as in older times the central government was first a haven of refuge and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire but a danger. I would draw the parallel one step farther. We did not think because national government had become a threat in the eighteenth century that therefore we should abandon the principle of national government.

So that there may be no mistake, Mr. President, I read two more excerpts on the issue which elected a President of the United States on the 8th day of November:

They must, where necessary, sacrifice this or that private advantage, and in reciprocal self-denial must seek a general advantage. It is here that formal government—political government, if you choose—comes in.

I skip a few paragraphs and quote again:

As yet there has been no final failure, because there has been no attempt; and I decline to assume that this Nation is unable to meet the situation.

The final term of the high contract was for liberty and the pursuit of happiness.

We have learned a great deal of both in the past century. We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man's meat is not another man's poison.

I want to read one further excerpt from a speech delivered by our President elect, Governor Roosevelt, at Columbus, Ohio, on the 20th day of August, 1932. I quote as follows:

We find fewer than three dozen private banking houses, and stock-selling adjuncts in the commercial banks, directing the flow of American capital within the country and to those "backward or crippled nations" on which the President built so heavily.

In other words, we find concentrated economic power in a few hands, the precise opposite of the individualism of which the President speaks.

We find a great part of our working population with no chance of earning a living except by grace of this concentrated industrial machinery; and we find that millions and millions of Americans are out of work, throwing upon the already burdened Government the necessity of relief.

I skip and quote again from the speech at Columbus of our President elect, Governor Roosevelt:

I, too, believe in individualism; but I mean it in everything that the word implies. I believe that our industrial and economic system is made for individual men and women; and not individual men and women for the benefit of the system. I believe that the individual should have full liberty of action to make the most of himself; but I do not believe that in the name of that sacred word a few powerful interests should be permitted to make industrial cannon fodder of the lives of half of the population of the United States.

Mr. President, we do not hear a word out of the party leaders on the Republican side or on the Democratic side of this Chamber along this line to show that they are undertaking to carry out the mandate of the people of the United States to decentralize wealth. We do not hear it from the Republican side—I mean from the leadership proper on the Republican side—notwithstanding the fact that it was embraced in the Madison Square Garden speech of President Hoover.

We do not hear it from the leaders on the Democratic side. We do not expect to hear it from the present leaders on the Democratic side, unless a change has occurred since Congress last met.

We are all subject to change. I am, and so is everybody else. I am not prepared to say that there has not been some change. Some of us have changed our position on prohibition because our constituents, and the other people of the country, have announced themselves in favor of the repeal of the eighteenth amendment; and, yielding to the greater virtue and wisdom of 120,000,000 people, no Senator, no Representative, is to be censured for changing his view and his purpose to accord with the wishes of the American people. And now, as the people of the United States have expressed themselves, through their nominee and through their actions, having grasped the one hope for the decentralization of wealth, they have justified any man and any leader sitting in this Congress, in the Senate, aye, more, they have instructed him, and all of us, in the purpose and the will and the desires of 120,000,000 American people.

I am not prepared to say that the leaders on the Republican side or the leaders on the Democratic side have not adopted the view of the people in the matter of decentralizing wealth. I am not prepared to say but that the expression of the people on the question of feeding the people and clothing them has not struck just as responsive a chord in the hearts and minds of the leaders on this side and the other side of the Chamber as it has on the prohibition question. But if it has, it is time we are finding out something. It is time we are learning something. We want to know something.

I only have the word of the same press which fought the nomination of President-elect Roosevelt and fought the election of President-elect Roosevelt—I only have the information of the element that did everything it could to prevent the nomination and election of Roosevelt, at least the nomination—as to my status in the Democratic Party at this time. I only have the words of the element that would have kept the President elect from getting within gunshot distance of the nomination at Chicago that there is any such thing as a dangerous, needed-to-be-ousted element of a Long-Dill-Wheeler bloc—and I say that in the presence of those gentlemen. They were not here when I began. I have already apologized for them. I have denied that they have been married in any fashion through any such combination with me. I have only the word of the element who willed it that the man who has been elected President of the United States should neither be nominated nor elected, that those of us who so prominently participated in the nomination are what might be described in French as the *bête noire*, the black beast, and they are afraid to turn us out and afraid not to do so.

I do not know why such has been said even by our opposition. Certainly some of the principles upon which we compromised in the Democratic platform were not entirely to my 100 per cent satisfaction. There are some of them I

would not have written, had it been solely my own mind to frame them. It was in the spirit of compromise that they were written. Certain it is that Senators sitting in this body might not have gone so far in the decentralization of wealth as our President elect has gone. But viewing the situation as I do myself, it is the spirit of compromise from the necessities as viewed by the American people that compelled it.

Now we come to find out something. Is there anybody in the party who does not want those of my kind because we undertook to nominate the President elect of the United States on the principles for which he stood? Is there anybody who thinks the President elect is going to try to turn somebody out of the house because he insists upon carrying out the platform and the principles enunciated by the President elect and having them written into law? On behalf of the President elect I resent such an imputation; I resent such a threat on his good purpose. I resent it because the President elect has not only been nominated, has not only been elected, but he has assumed the leadership of this Nation in order that he might carry out the one great fundamental, necessary principle of the decentralization of wealth in America.

That is not in my words.

I read in some of the publications that when I came to the United States Senate I announced that I did not think Mr. Roosevelt was the candidate to be nominated. That is true. I did not think so. But it is said that later on I announced that I thought Roosevelt was the man to nominate. That is true, too. And why? No one need be surprised why.

Here is the reason. Long before the Chicago convention met the reason was to be found why votes went into the convention for Mr. Roosevelt that would not otherwise have gone there. I read from a speech delivered by President-elect Roosevelt which I offered and had published in the CONGRESSIONAL RECORD on the 23d day of last May. I read from the speech which he delivered in Atlanta, Ga., on May 22. I only read two short excerpts. They may be found by any Senator wishing to review them at page 10873 of the CONGRESSIONAL RECORD of the last Congress. I quote from that speech:

The country needs, and unless I mistake its temper, the country demands, bold, persistent, experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But, above all, try something. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach.

In other words, our great President elect saw the hunger marchers coming long before they came to Washington. He told us away back last May in language and in terms so certain that the blind could see and the deaf could hear that we had the hunger marchers on the way to Washington.

I read further. This is a newspaper account, and I am quoting from it as it appeared in the CONGRESSIONAL RECORD:

Mr. Roosevelt said that "Many of those whose primary solicitude is confined to the welfare of what they call capital have failed to read the lessons of the last few years and have been moved less by calm analysis of the needs of the Nation as a whole than by a blind determination to preserve their own special stakes in the economic disorder."

"While capital will continue to be needed," said the Governor, "it is probable that our physical plant will not expand in the future at the same rate at which it has expanded in the past."

"We may build more factories," he said, "but the fact remains that we have enough now to supply all our domestic needs and more, if they are used. No; our basic trouble was not an insufficiency of capital; it was an insufficient distribution of buying power coupled with an oversufficient speculation in production."

When the President elect loomed as the hope, and the sole hope, for those of us in the Senate and in political life, when he pronounced himself, not only publicly but privately, to many of us along lines that struck a responsive chord, then is when the President elect found votes enough to nominate him as the Democratic standard bearer for the office of President of the United States.

I was one of them.

Mr. President, the people of the country have a right, as President-elect Roosevelt has said, to demand action by their representatives. The people of the country, in the words of President-elect Roosevelt, will not stand in the sight of things they need, the food they need to eat, the clothes they need to wear, and not demand action.

A radio address has just been delivered of which some of us might take a little notice. Our President elect and those of us here are not alone in this crusade by any means. Some of the leading newspapers of the country, naturally expected not to favor Mr. Roosevelt, supported him in this issue.

Rev. Charles E. Coughlin, in a sermon which he delivered Sunday, November 27, 1932, practically quotes from the President elect on this issue, stating the situation a little more vividly in some particulars, and I shall read briefly from him:

The wealth being produced by agriculture and industry was being siphoned off and retained by a comparative few.

Although the true function of the machine is to spread leisure and opportunity for mental and spiritual development, its use has been increasingly perverted. Not only has there been a steady arithmetical increase in unemployment—it has been accompanied by a steady increase of wealth in the hands of the few. The wealth created by the machines has gone in appalling disproportion to the owners of the machines.

In 1922 the total dividends paid by all corporations in the United States was \$930,648,000. In 1929 the dividends paid were \$3,478,000,000, an increase of 356 per cent.

Here, then, we have the third characteristic which is best expressed by the phrase: "Concentration of wealth in the hands of a few." The development of mass production is being accompanied by the destruction of mass consumption and mass purchasing power.

It is hoped that the inefficient laws of yesterday which permitted this unjust concentration of wealth and this unreasonable share of profits to fall into the hands of a few shall not be permitted to exist beyond the life of the next presidential term.

Just as we have been taught to look with disdain and contempt upon physical slavery, so future generations shall revert to the period which has just passed with similar feelings—an age of industrial and financial slavery which is more apparent when we consider that the annual income for all people in the United States increased from \$65,949,000,000 in the year 1919 to \$89,419,000,000 in 1928—an increase of approximately twenty-three and one-half billion dollars, despite the fact that the total volume of wages paid was \$649,000,000 less in 1927. The greater the wealth of this Nation the less were its wages for the working man and the farmer.

I hope Senators present understood those statistics which show that notwithstanding the fact that the income of this country increased in nine years from \$65,000,000,000 to \$89,000,000,000, the working men got \$649,000,000 less than they got eight or nine years before.

What are we going to do about this? I say, Mr. President, gentlemen of the Senate, gentlemen on the Democratic side of the Senate, that if our leadership is attuned to the philosophy of government to correct such a situation, if the present leadership we have here is attuned to this philosophy, notwithstanding the fact that it was not so attuned a few months ago, then we ought to back it up and maintain it to the limit.

But if it is not so attuned, if it is out of step with the times and the needs and the demands of the people of the country, then we have a mandate from the people and a promise here upon which we have got to organize for the purpose of putting it into law.

Why was it that we did not have Mr. Shouse as permanent chairman at the Chicago Democratic Convention? Why was it? It is because of the fact that we knew if the opposition to Roosevelt had the power of the ringmaster of that performance, we would be very badly and probably fatally handicapped in our plans to nominate Mr. Roosevelt.

So it would be in this Congress. If we were to start out to transform into law the promise that has been made to the people of America, to carry out the mandate that has been given by those people, with a leadership on the other side of the aisle, or particularly on this side of the Chamber, that was opposed to it, we would be saddling ourselves with a burden in the inception of undertaking that task, a burden that may not be overcome.

As I say, I do not know. I rather would lean to believe and to expect that these words, terms, promises, platforms, pledges, mandates have found a responsive ear in court, in the mind and in the heart and in the political purpose of whoever is to lead this side of the Chamber and the other side of the Chamber.

But, Mr. President, we can not sit here silently by and wait. We have waited until the time has come that waiting can no longer be indulged. We can not wait any longer; we can not carry any more load. The people are hungry; the people are naked; the people are homeless. They are homeless in Louisiana; they are homeless in Arkansas; they are homeless in the Dakotas. With too much to eat, they are starving to death because the country has too much to eat. With too much to wear, they are naked because the country has too much to wear. With too many homes to live in, they are homeless because the country has them; and if this Congress is going to wait here and talk about compromising in order to balance the Budget and is going to go in a direction which will further concentrate wealth, instead of going in a direction which will decentralize it, we are going to lay down on the people and deal this country a body blow that it may not ever survive.

It is, therefore, up to us by some means, by some process, to obtain organized, concerted legislative effort in the Senate and in the other House to transfer into law this mandate to decentralize and spread the wealth of this country among the people.

We do not need to argue about it; we have got everything on earth we need except the matter of mechanics. It is merely a matter of mechanics.

How are we going to get legislative action here? I am talking as a politician. I have been styled a politician, as I think every other Senator has, but I am undertaking to talk in the true sense of the term "politician," as one to some extent experienced in the science of government. That is the definition I prefer to apply to the term when it is applied to me. How are we going to get action here? There is not any need of our fooling ourselves. Either we have got to have it sponsored through the leadership on this side of the Chamber or on the other side of the Chamber, or we have got to have a coalition or a bloc, or whatever one may want to call it, of those of us on both sides of the Chamber in order to get the essential legislation started through the two Houses. It is not up to us to wait for him who has given his word and given the people his promise to call us back. We have our own responsibility to carry out what he has promised, what we promised, and what the people have been pledged. It is not for us to wait to receive another message from somebody; it is up to us to carry out what we have promised the people we would do if Mr. Roosevelt were elected on the platform adopted by the Democratic Convention at Chicago and principles enunciated by him as a basis for election.

Mr. President, the first thing we on the Democratic side ought to do is to find out if our leadership is in tune with the will of the people; and if it is, keep it. And if it is not, the next thing we ought to do is to remove the present leadership and provide a new leadership that is in favor of what the people have said ought to be done by the Congress.

We owe that much to the Democratic Party and to the people of the United States. If our leader is in sympathy with this demand of the people—or our leaders, for there is more than one leader, probably—if they are in sympathy and want to carry along this effort, which should be the principal effort, then each and every one of us owes them every backing and all moral and legislative support that we can give them to carry out this program.

But if not, it is the duty of the Senators on this side of the Chamber to equip themselves with leadership that will bring about that purpose the quickest and best it can. Assuming we have no such change of leadership and no such conversion in leadership—none of which I admit—then, Mr. President, I now ask the Senators on this side

of the Senate, at a time when they can, to meet, if he will permit it, under the banner and under the leadership of the Senator here who took the lead in this fight throughout this country, whose word is respected, whose philosophy of government is understood.

If it becomes necessary—and I think probably it will not become necessary—to have a leadership such as we can not get on this side of the Chamber by reason of some Senator, perhaps, not wishing to have the country understand that there is any lack of harmony, then we on the two sides of this Chamber will have to undertake to secure an organization that will transfer our promises into law, as the people of this country have a right to expect.

I think I am speaking their wishes; and I understand, Mr. President, what the people of this country, or a certain part of them, want. I believe I know what the people of Louisiana expect, and I know what they have been promised. I have been there in the campaign, and the people of Louisiana have spoken very decisively on this issue in the election. I believe I know what the people throughout America want, particularly in the States which I have lately visited. I think I understand the people of North Dakota and South Dakota. I believe I understand some of the people of the State of Arkansas. They have passed on the matter.

I would not undertake to suggest to any man that he go in a direction opposite to the will of the people of his State; there may be occasions when that is justified and necessary; but I would never be willing to suggest to any man that he do it, because that certainly would be his own responsibility; but I, at least, can say to any man who comes from Louisiana or the Dakotas or even from Kansas or Arkansas that he need not worry himself at all about falling in line with the philosophy of government that President-elect Roosevelt found to be necessary for this country.

Mr. President, I am not a member of any committee of the Senate, and I am not asking for membership on any committee. I have drafted very few bills that have ever been introduced in the Senate, though I have had the privilege of drafting some that were passed by the State legislature. However, what we should draft into law I can state in my crude and humble way.

We should scale up the income taxes and the inheritance taxes. We should extend the income taxes so that when a man gets to the point where he is making anything like \$500,000 or a million dollars, or even before that, his income should be assessed much heavier than Woodrow Wilson recommended in the 1918 law.

We should scale up the inheritance taxes so that handing down from one to another a fortune in excess of a few million dollars would be an impossibility. We should take the Couzens's amendment and out-Couzens Couzens on the Couzens's amendment offered at the last session of Congress. That is the first sacramental necessity.

We should provide by law and, if it becomes necessary, by constitutional amendment, for working hours and a working day that will not produce more than the country can consume, so that every man needing work would have his share of it.

Next, we should take the farm surplus of this country into the control and ownership of the United States, and then we should assist the farmers of the country by legislative action and by cooperation so as not to permit farm supplies to be greater than their consumption.

President Hoover says that inflation has no part in the program, but I say as a fourth proposition, that we shall have to provide a medium of exchange sufficient to carry on the business of the United States. We have not a sufficient medium of exchange to carry on the business of the country, and we all know it.

I have talked with some of the leading bankers of this country; I have talked with some of the great economists who have clung tenaciously to their opposition to any such thing as inflation or bimetalism or anything of the kind—

some of the leading bankers of this country—and they now tell me that it is a paramount, actual necessity, by either inflation or by bimetalism or by some other process, to provide this country with a sufficient medium of exchange to carry on its business. It is needed in order to bring up commodity prices.

What have we seen done about that? What is going to be done about it? I say, Mr. President, that this country looks to the Senator from Nebraska [Mr. NORRIS] more than to any other man sitting in the Senate. I say, Mr. President, that it was the Senator from Nebraska who did more to nominate the presidential candidate of the Democratic Party than anybody in the Democratic Party. I say that it was the belief of the people of America—Democrats, Republicans, and of no affiliation so far as parties are concerned—who believed in the words, in the philosophy, in the promises, and expectations of the Senator from Nebraska, that these reforms and these pledges and these mandates of the people were going to be carried out.

A lot of us can be painted up through the press. They can temporarily make a buffoon, or a "red" leader, or anything of the kind, out of some of us. We have not been here long enough for some of the people to know to the contrary. We are too young in political life. The people have not seen us charge back and forth across the field of battle enough to know that there is anything but truth in some of the various and sundry reports as to our philosophy and ideals.

That, however, is not the case with the Senator from Nebraska [Mr. NORRIS]. He has been here long enough so that, enrolled under his leadership, the people of this country will know that we are undertaking to carry out the mandates and the promises to feed the people and to clothe the people and to diffuse the wealth of this country, carrying out the promises of the President elect, and carrying out even the admission of the President who was defeated in the election of last November.

That may become the only means by which the people of this country can be given to understand that this Congress and the one to come are going to undertake to write into law what has been promised to these people.

That is not the air that surcharges this Chamber and the other one now. The talk is to "tread easily"; to be quiet. "Don't wake up the baby." "Nothing but harmony." What kind of harmony? Starvation harmony; nakedness harmony; homeless harmony? "Tread easily, tread lightly," and that is all you have to do if you want to see the American people starve to death. All you have to do to have that done is to tread easily and tread lightly.

Oh, I know how the air feels. There never was a lethal chamber to which one felt like he should yield near so much as that air of so-called conservatism. That course of least resistance is so easy to walk. It is so easy to go, as long as it suits your own needs, for many of us can not feel the aches and pains of the people on the outside. But I told you nearly a year ago here that people were starving, and there would be more of them starving to-day than there were last year by a whole lot. It has come true. There are more of them hungry to-day.

We have permitted this country to be sapped out to where about 85 per cent of the wealth is in the hands of 4 or 5 or 6 per cent of the people.

We have permitted the income of the country to be concentrated until the top structure has nothing below upon which it can rest.

We have gone to the people in the campaign. We have made promises to them. We have told them what we are going to do.

Now it is up to the Democratic Party and to the other men of this Chamber as to whether they are going to sit here and have the people starving and homeless, or whether we are going to transform our promises into action, organize for action, decentralize the wealth of this country and diffuse it among the people. Will we feed the hungry while we have the food to feed them with, clothe them while we

have the things to clothe them with, and have this land of homes, not a land of the homeless?

AMERICAN CLAIMS AGAINST GERMANY (S. DOC. NO. 146)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, in response to Senate Resolution No. 181, agreed to June 8, 1932, a report of Hon. Robert W. Bonyng, agent of the United States, Mixed Claims Commission, United States and Germany, relative to claims of American nationals against the Government of Germany filed with the Department of State between June 30, 1928, and June 8, 1932, which, with the accompanying report, was referred to the Committee on Foreign Relations and ordered to be printed.

REPORT OF FEDERAL BUREAU OF NARCOTICS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, a copy of the annual report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Finance.

DISPOSITION OF USELESS PAPERS IN THE TREASURY DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of papers and documents on the files of the Treasury Department and certain branches thereof which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest, which, with the accompanying report, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. Smoot and Mr. Harrison members of the committee on the part of the Senate.

REPORTS OF THE BUREAU OF THE BUDGET

The VICE PRESIDENT laid before the Senate two letters from the Director of the Bureau of the Budget, transmitting, pursuant to law, the following: A report relative to exemptions granted under the furlough provisions of the legislative appropriation act for the fiscal year ending June 30, 1933; and

Reports rendered by the several departments, independent establishments, and the municipal government of the District of Columbia concerning the suspension of promotions, the filling of vacancies, and compulsory retirement for age under the provisions of the legislative appropriation act for the fiscal year ending June 30, 1933, which, with the accompanying reports, were referred to the Committee on Appropriations.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, as ex officio president of the National Forest Reservation Commission, transmitting, pursuant to law, the report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed with the accompanying illustration.

ANNUAL REPORT OF PUERTO RICAN HURRICANE RELIEF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, chairman of the Puerto Rican Hurricane Relief Commission, transmitting, pursuant to law, the annual report of the commission for the year ended September 30, 1932, which, with the accompanying report, was referred to the Committee on Appropriations.

REPORT OF NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, the annual report of the activities of the National Board for the Promotion of Rifle Practice for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Military Affairs.

REPORT ON POST EXCHANGES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting, pursuant to law, a report on post exchanges operated by or under the supervision of the War Department on June 30, 1932, which, with the accompanying report, was referred to the Committee on Military Affairs.

AIRCRAFT PURCHASED FOR NAVY (S. DOC. NO. 144)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Navy, transmitting, pursuant to law, a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1932, the prices paid therefor, and the reason for the award in each case, which, with the accompanying report, was referred to the Committee on Naval Affairs.

REPORT OF ST. ELIZABETHS HOSPITAL

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the superintendent of St. Elizabeths Hospital for the fiscal year ended June 30, 1932, showing in detail the receipts and expenditures for all purposes in connection with the institution, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF WAR MINERALS RELIEF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the administration of the war minerals relief act, including receipts and disbursements for the year ended November 30, 1932, which, with the accompanying report, was referred to the Committee on Mines and Mining.

DEVELOPMENT OF OIL AND GAS

The VICE PRESIDENT laid before the Senate two letters from the Secretary of the Interior, transmitting, pursuant to law, information concerning the approval of unit plans of development for Big Sand Draw gas field, Fremont County, Wyo., and Billy Creek field, Johnson County, Wyo., which, with the accompanying reports, were referred to the Committee on Public Lands and Surveys.

EXPENDITURES OF GEOLOGICAL SURVEY ON INDIAN LANDS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures by the Geological Survey on tribal and allotted Indian lands during the fiscal year ended June 30, 1932, which, with the accompanying statement, was referred to the Committee on Indian Affairs.

INDIAN IRRIGATION PROJECTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report showing the cost and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Indian Affairs.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, as ex officio chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

ANNUAL REPORT OF THE TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Tariff Commission, transmitting, pursuant to law, the sixteenth annual report of the commission, which, with the accompanying report, was referred to the Committee on Finance.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman and secretary of the Reconstruction

Finance Corporation, transmitting, pursuant to law, a report of its operations for the period from the organization of the corporation on February 2, 1932, to September 30, 1932, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF FEDERAL POWER COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Power Commission, transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1932, including a statement showing permits and licenses issued, the parties thereto, the terms prescribed, the moneys received, and the names and compensation of members and employees of the commission, which, with the accompanying report, was referred to the Committee on Commerce.

ANNUAL REPORT OF THE COMPTROLLER GENERAL

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the work of the General Accounting Office for the fiscal year ended June 30, 1932, with recommendations for certain legislation calculated to effect greater economy and efficiency in public expenditures, which, with the accompanying report, was referred to the Committee on Appropriations.

CLAIMS AGAINST THE UNITED STATES

The VICE PRESIDENT laid before the Senate four letters from the Comptroller General of the United States, transmitting, pursuant to law, reports and recommendations concerning the claims of the Harvey Canal Ship Yard & Machine Shop, Mary Byrnett Sinks, Lawrence S. Copeland, and Texas Power & Light Co., respectively, against the United States, which, with the accompanying reports, were referred to the Committee on Claims.

REPORT OF TEXTILE FOUNDATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Textile Foundation, transmitting, pursuant to law, a report of the proceedings, activities, income, and expenditures of the foundation for the year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Commerce.

FINAL VALUATIONS OF CERTAIN RAILROAD PROPERTIES

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Interstate Commerce Commission transmitting, pursuant to law, final valuations of properties of the Louisville & Nashville Railroad Co. and 11 other railroads, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF FEDERAL RADIO COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Radio Commission transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF BOARD OF MEDIATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Board of Mediation transmitting, pursuant to law, the sixth annual report of the board for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF SHIPPING BOARD

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Shipping Board transmitting, pursuant to law, the sixteenth annual report of the board and the United States Shipping Board Merchant Fleet Corporation for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Commerce.

SETTLEMENT OF SHIPPING BOARD CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Shipping Board

transmitting, pursuant to law, a report of claims arbitrated or settled by agreement from October 15, 1931, to October 15, 1932, by the United States Shipping Board and/or the United States Shipping Board Merchant Fleet Corporation, which, with the accompanying report, was referred to the Committee on Commerce.

REPORT OF COMMISSIONERS OF DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Board of Commissioners of the District of Columbia transmitting, pursuant to law, a report of the official operations of said government for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

ANNUAL REPORT OF PUBLIC UTILITIES COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the official proceedings of the commission for the year ended December 31, 1931, with other information relating to the regulation and operation of public utilities in the District under the jurisdiction of the commission, which, with the accompanying report, was referred to the Committee on the District of Columbia.

HEALING ARTS PRACTICE IN DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Commission on Licensure, Healing Arts Practice Act, transmitting, pursuant to law, a report of the activities of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

CASES IN THE COURT OF CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Clerk of the Court of Claims, transmitting, pursuant to law, certified copies of the findings of fact and the opinion of the court in the case of Pocono Pines Assembly Hotels Co. against the United States, which, with the accompanying papers, was referred to the Committee on Appropriations.

He also laid before the Senate two letters from the assistant clerk of the Court of Claims, transmitting certified copies of the opinions and order of the court dismissing the causes of the Creek Nation, Luther Gilkerson, and August Berquist, respectively, against the United States, which, with the accompanying papers, were referred to the Committee on Claims.

REPORT OF GORGAS MEMORIAL INSTITUTE

The VICE PRESIDENT laid before the Senate a letter from the chairman and president, respectively, of the Gorgas Memorial Institute of Tropical and Preventive Medicine (Inc.), transmitting, pursuant to law, a report of the institute for the year ended October 31, 1932, which, with the accompanying report, was referred to the Committee on Interoceanic Canals.

ANNUAL REPORT OF SECRETARY OF SENATE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, transmitting, pursuant to law, a report of receipts and expenditures of the Senate for the fiscal year ended June 30, 1932, which, with the accompanying report, was ordered to lie on the table and to be printed.

REPORT OF DIRECTOR OF BOTANIC GARDEN

The VICE PRESIDENT laid before the Senate a communication from the director of the United States Botanic Garden, transmitting, pursuant to law, a statement showing the travel expenses in connection with official business of the office during the fiscal year ended June 30, 1932, which was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of the national committee, Unemployed Councils of United States of America, Herbert Benjamin, national secretary, representing the conference of 3,000 delegates elected by

unemployed councils, trade-unions, and other workers' organizations (National Hunger March), also the seamen's division, National Hunger March, praying for the passage of legislation granting cash relief for the winter, prompt unemployment insurance, and also adequate measures for the relief of the unemployed, etc., which were referred to the Committee on Appropriations.

Mr. BARBOUR presented petitions of St. Paul's Auxiliary of the Woman's Home Missionary Society, of Atlantic City; the Woman's Home Missionary Society of St. James Methodist Episcopal Church, of New Brunswick; the Evening Auxiliary, Woman's Home Missionary Society of the Methodist Episcopal Church, of Ocean Grove; and the Ladies' Auxiliary of the Methodist Church of Ridgewood, all in the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented resolutions adopted by the Woman's Home and Foreign Missionary Society, of Parsons; the Woman's Home Missionary Society, Methodist Episcopal Church, of Gardner; Woman's Home Missionary Society, Methodist Episcopal Church, of Sedan; the Woman's Home Missionary Society, Methodist Episcopal Church, of Blue Rapids; Woman's Home Missionary Society, Methodist Episcopal Church, of St. Francis; the Ladies' Bible Class of the First Methodist Episcopal Church, of Parsons; the Woman's Home Missionary Society, of Junction City; the quarterly conference of the Methodist Episcopal Church, of Morrowville; the Woman's Home Missionary Society of the Methodist Church, of White City; local chapter of the Woman's Christian Temperance Union, of Parsons; the Woman's Home Missionary Society, of Parsons; auxiliary of the Woman's Home Missionary Society, of Baldwin; and the Woman's Home Missionary Society, of Enterprise, all in the State of Kansas, favoring the prompt ratification of the World Court protocols; which were ordered to lie on the table.

He also presented resolutions adopted by the Home and Foreign Missionary Societies, of Parsons, Kans., favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. BINGHAM presented resolutions adopted by the New England Regional Conference of the National Council of Jewish Women, of Hartford, and Washington Park Auxiliary of the Home Missionary Society, of Bridgeport, in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Washington Park Auxiliary of the Women's Home Missionary Society, of Bridgeport, Conn., favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

He also presented the petition of the Connecticut branch of the League of Nations Association praying for the temporary postponement of payments due the United States from foreign governments on December 15, 1932, and for further negotiations with such governments concerning debt settlement, which was referred to the Committee on Finance.

He also presented memorials and papers in the nature of memorials from the Women's Society of the first Baptist Church, of Bristol; the New London County and Montville Woman's Christian Temperance Union; members of the Methodist Episcopal Church of South Manchester; and sundry citizens of Bristol, Enfield, and Montville, all in the State of Connecticut, remonstrating against the repeal of the eighteenth amendment of the Constitution or the Volstead Act, relating to manufacture and sale of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented memorials numerous signed by sundry citizens of the State of New York, remonstrating against the passage of legislation providing for the manufacture and sale of beer, or the legalization of alcoholic liquors stronger than one-half of 1 per cent, etc., which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Executive Board of the Cosmopolitan Association of Erie County, N. Y., remonstrating against the alleged methods employed by immigration authorities in relation to the handling of immigrant cases, etc., which was referred to the Committee on Immigration.

He also presented resolutions adopted by the Women's Home Missionary Society, Bay Ridge Methodist Episcopal Church and the Janes Young Women's Home Missionary Society, both of Brooklyn; Women's Home Missionary Society of Candor; Young Women's Home Missionary Society of the Methodist Episcopal Church of Endicott; Woman's Home and Foreign Missionary Societies of Fulton; Woman's Home Missionary Society of Gainesville; and the Woman's Home Missionary Society of Rockville Center, all in the State of New York, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Janes Young Women's Home Missionary Society and the Woman's Home Missionary Society, Bay Ridge Methodist Episcopal Church, both of Brooklyn; St. Paul's Methodist Missionary Society and the Home Missionary Society of Grace Methodist Episcopal Church, both of New York City, all in the State of New York, favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. WALSH of Massachusetts presented petitions of the Woman's Home Missionary Society of Grace Methodist Episcopal Church, of Cambridge; the Woman's Missionary Society of Newtonville; the Women's Missionary Society, and the Winthrop Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church, both of Boston, all in the State of Massachusetts, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the Woman's Home Missionary Society of Grace Methodist Episcopal Church, of Cambridge; the Woman's Missionary Society, of Newtonville; the Women's Missionary Society and the Winthrop Street Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church, both of Boston, all in the State of Massachusetts, praying for the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. WALSH of Massachusetts presented resolutions adopted by the executive committee of the Liberal Civic League (Inc.), Boston, Mass., which were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolutions adopted by the executive committee of the Liberal Civic League (Inc.), at Boston, Mass., Saturday, December 3, 1932

Whereas the result of the national referendum of November 8, 1932, on the issue of the modification or the unconditional repeal of the eighteenth amendment, was an overwhelming and genuinely nonpartisan mandate of the American people in favor of the immediate and unconditional repeal of this amendment; and

Whereas the voters of Massachusetts at the polls on November 8, 1932, and on every prior occasion when they have had an opportunity to directly declare themselves upon this question, have clearly and unmistakably expressed a similar mandate for the immediate and unconditional repeal of the eighteenth amendment; and

Whereas the voters in each and all of the representative congressional districts of the Commonwealth have in two prior referendums declared themselves by substantial majorities for the immediate and unconditional repeal of the eighteenth amendment; and

Whereas in accordance with the fundamental principles of truly representative government, the voice of the people of the Nation, of the several congressional districts, and of the Commonwealth of Massachusetts as a whole upon this vital economic and social issue, is paramount to the declaration of any party platform, affiliation with any political party, or the preexisting personal views of any individual Member of the Congress; and

Whereas it is believed by competent authority that the immediate and unconditional repeal of the eighteenth amendment

would result in an instant gain to the Federal Budget in savings and in additional revenue, for the first year subsequent to such unconditional repeal, of not less than \$2,000,000,000; and

Whereas it has been proposed by the Hon. A. Mitchell Palmer, a former Attorney General of the United States, that the Congress should, in framing an unconditional repeal resolution, incorporate therein directions for the holding of conventions in the several States to deal with the acceptance or rejection of such resolution, as early as may be possible under uniform regulations, and on a uniform date, throughout the entire country; and

Whereas there is grave occasion in the public interest that the nation-wide mandate of the people for immediate and unconditional repeal should be acted upon by the Congress as expeditiously as is practical in order that the people themselves may have the earliest possible opportunity to directly deal with the prohibition question and all Federal and State legislation relating thereto: It is hereby

Resolved, That the executive committee of the Liberal Civic League (Inc.), a nonpartisan civic organization, speaking for an independent following in Massachusetts of over 125,000 voters, believes it to be the patriotic duty of the Congress and the especial duty of every Member of Congress from Massachusetts, regardless of party affiliation or personal conviction, to vote at the earliest possible moment in support of the first available resolution providing for the immediate and unconditional repeal of the eighteenth amendment and to oppose by every legitimate means the acceptance by the Congress of the now pending Glass amendment or any other proposal that would perpetuate in the Federal Constitution any governmental control or interference with the sovereign right of the several States to deal as they may see fit with the manufacture and sale of intoxicating liquors; and it is further

Resolved, That in the interest of speedy and effective action, the Congress should submit the unconditional repeal of the eighteenth amendment to the people of the several States in the uniform manner provided by the Palmer plan hereinbefore referred to; and it is further

Resolved, That pending the unconditional repeal of the eighteenth amendment, the Congress, in some relief of existing economic and social conditions, should forthwith enact cereal-beverage legislation substantially as provided in the bill already introduced, or about to be introduced, at this session by Hon. DAVID I. WALSH, the senior Senator from Massachusetts; and it is further

Resolved, That the chairman of the Liberal Civic League (Inc.), William H. Mitchell, of Boston, be, and he is hereby, directed to forward a copy of the within resolutions to each and every Member of the Congress from Massachusetts, prior to the reconvening thereof on Monday, December 5, 1932.

A true copy.

WILLIAM H. MITCHELL, *Chairman*.

THE EIGHTEENTH AMENDMENT—LAW ENFORCEMENT

Mr. CAPPER. Mr. President, I have here resolutions adopted at a meeting held at the Foundry Methodist Church, of Washington, D. C., on December 4. The resolutions are sponsored by the Woman's National Committee for Law Enforcement. I ask that they may be printed in the CONGRESSIONAL RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolutions adopted at a meeting sponsored by the Woman's National Committee for Law Enforcement, held at the Foundry Methodist Church, Washington, D. C., December 4, 1932

Be it resolved, In case Congress should vote by a two-thirds majority in each House that the eighteenth amendment be repealed, it must be done in a regular way and be ratified by 36 States. The opponents of the law declare for conventions; we stand for ratification by State legislatures, which has precedent.

Be it resolved, That any attempt to bring back beer or wines before the repeal of the eighteenth amendment shall be considered nullification, and Congress shall be held responsible by the American people.

Be it resolved, If misled by propaganda or political pressure, this crime of perjury should be committed through modification of the enforcement act, we call on the President of the United States, solemnly sworn to "preserve the Constitution," to veto such an unwarranted, unprecedented action. We urge that he stop this liquor rebellion, for which he has historic precedent.

Be it also resolved, We oppose any increase of alcoholic content above that prescribed by the Volstead Act. Since the intention is to create the alcoholic appetite in youth, as stated by the brewers, we call for an uprising of the people against an effort to legalize beer or wines or to permit the sale under any auspices—saloon, bar, or Government dispensary. It will inevitably, because of its small content, create an appetite which will increase drinking among young people who do not naturally take to hard liquor.

Be it resolved, That we heartily approve the present Volstead law with an additional clause to make the buyer, who is partner to illegal sale, equally guilty with the seller.

Be it further resolved, That we oppose any effort to make the United States Government under any conditions a dealer in liquor

or enrich itself through a tax for corrupting the people. This never has brought and never will bring prosperity, as proven by other nations now staggering under liquor, debt, paralyzed industries, and credit.

In the name of God we appeal to the Christian Church for action. In the name of womanhood we call on the rulers of this Nation to protect us from this evil.

If this Congress, elected on dry pledges and platform, shall refuse to be bound by its solemn oath to support and defend the law, and the President, elected on this platform, shall kill this protective law by withholding his veto, then we call on women to go into a period of deep mourning, forgetting pleasure and ease and comfort, wearing black as a symbol. If our efforts and prayers are of no avail, and God leaves this Nation to suffer for its sin, let us speak in a language which can be understood. While babies die from starvation and men and women are desperate in their need for bread, we demand that our rulers cease this wicked and foolish attack on our laws and attend to the business for which they have been elected.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4987) for the relief of Frederick E. Dixon; to the Committee on Civil Service.

A bill (S. 4988) for the relief of Bruce F. Ramsey (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 4989) granting a pension to Elizabeth Winscott (with accompanying papers); to the Committee on Pensions.

By Mr. FESS:

A bill (S. 4990) granting an increase of pension to Estella Hartman (with accompanying papers);

A bill (S. 4991) granting a pension to Lucie P. Cranston (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 4992) for the relief of Ruth J. Barnes; to the Committee on Military Affairs.

A bill (S. 4993) for the relief of C. J. Mast; and

A bill (S. 4994) for the relief of Peter Pierre; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 4995) authorizing the Reconstruction Finance Corporation to make loans to certain home owners and farmers for the payment of taxes; to the Committee on Banking and Currency.

By Mr. McKELLAR:

A bill (S. 4996) for the relief of W. C. Redman; to the Committee on Military Affairs.

A bill (S. 4997) granting an increase of pension to Eliza Jane Whitson;

A bill (S. 4998) granting a pension to Jane Drennon (with accompanying papers);

A bill (S. 4999) granting a pension to Lyda Hamby (with accompanying papers); and

A bill (S. 5000) granting a pension to Martha E. McDaniel (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 5001) to amend the military record of Joshua Workman; to the Committee on Military Affairs.

A bill (S. 5002) for the relief of Russell C. Cross; to the Committee on Naval Affairs.

A bill (S. 5003) granting an increase of pension to Margaret E. Gorrell;

A bill (S. 5004) granting an increase of pension to George H. Pratt;

A bill (S. 5005) granting an increase of pension to Fred Cook;

A bill (S. 5006) granting a pension to D. W. Chapman;

A bill (S. 5007) granting a pension to Oppie Reed;

A bill (S. 5008) granting an increase of pension to Edward F. Savage;

A bill (S. 5009) granting an increase of pension to Jess Musgrave;

A bill (S. 5010) granting a pension to Stanley N. Rice;

A bill (S. 5011) granting a pension to Columbus R. Fulks;

A bill (S. 5012) granting a pension to Maggie Hannah;

A bill (S. 5013) granting a pension to Rose Kennedy; and
 A bill (S. 5014) granting a pension to Anna Marie Flautt;
 to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 5015) to provide that the national prohibition act, as amended and supplemented, shall not apply to liquors containing 4 per cent or less of alcohol by volume; to the Committee on Manufactures.

By Mr. NORBECK:

A bill (S. 5016) to amend section 2 of an act entitled "An act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes," approved January 22, 1932 (Public, No. 2, 72d Cong.); to the Committee on Agriculture and Forestry.

By Mr. WHITE:

A bill (S. 5017) for the relief of Frank L. Weed; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 5018) relating to the classified civil service; to the Committee on Civil Service.

A bill (S. 5019) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury; to the Committee on the District of Columbia.

A bill (S. 5020) authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing certain obligations of irrigation and drainage districts; to the Committee on Banking and Currency.

A bill (S. 5021) to secure greater economy and efficiency in the disbursement of public money, and for other purposes; to the Committee on Appropriations.

By Mr. DILL:

A bill (S. 5022) granting a pension to John W. Ferwerda (with accompanying papers);

A bill (S. 5023) granting a pension to Nellie J. Wood (with accompanying papers);

A bill (S. 5024) granting an increase of pension to Kate E. Snow (with accompanying papers); and

A bill (S. 5025) granting a pension to Theresa Elizabeth Mapes (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH:

A bill (S. 5026) to provide for loans to farmers for crop production and harvesting during the year 1933; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

A bill (S. 5027) to amend the agricultural marketing act, approved June 15, 1929; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 5028) for the relief of Bernard Leroy Eaton; and
 A bill (S. 5029) for the relief of Oscar Pinette; to the Committee on Naval Affairs.

By Mr. VANDENBERG:

A bill (S. 5030) to transfer certain portions of the lower peninsula of the State of Michigan to the United States standard eastern time zone; to the Committee on Interstate Commerce.

A bill (S. 5031) granting a pension to Mary Ann Fox (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 5032) granting an increase of pension to Sarah J. Carpenter; to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 5033) providing for regulation of the transportation of cotton and wheat in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON:

A bill (S. 5034) to permit the admission of intoxicating liquors into the Virgin Islands of the United States for export.

A bill (S. 5035) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water;

A bill (S. 5036) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water; and

A bill (S. 5037) to amend section 1 (a) of the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Commerce.

A bill (S. 5038) conferring upon the United States District Court for the Northern District of California, Southern Division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; to the Committee on Claims.

By Mr. WALSH of Massachusetts:

A bill (S. 5039) for the relief of Samuel Williams; to the Committee on Military Affairs.

A bill (S. 5040) granting a pension to Elizabeth Rose Clark; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 5041) to abolish the Council of National Defense; to the Committee on Military Affairs.

A bill (S. 5042) to repeal the classification act of 1923, as amended, and for other purposes; to the Committee on Civil Service.

A bill (S. 5043) to abolish the Bureau of Efficiency, and for other purposes; and

A bill (S. 5044) to abolish the National Advisory Committee for Aeronautics; to the Committee on Appropriations.

A bill (S. 5045) to provide for the immediate liquidation of the assets and the winding up of the affairs of the War Finance Corporation; to the Committee on Finance.

A bill (S. 5046) to abolish the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation and to provide for the winding up of their affairs and the disposal of their assets; to the Committee on Commerce.

A bill (S. 5047) to restore the 2-cent postage rate on first-class mail matter; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A bill (S. 5049) for the relief of Winifred Meagher; to the Committee on Claims.

A bill (S. 5050) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. L. 730; U. S. C., title 15, sec. 13); and

A bill (S. 5051) to amend section 5 of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914 (38 Stat. L. 719; U. S. C., title 15, sec. 45); to the Committee on Interstate Commerce.

By Mr. CAPPER:

A bill (S. 5052) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Annie Regina Brahler from St. Mary's Cemetery to Cedar Hill Cemetery; and

A bill (S. 5053) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 5054) granting an increase of pension to Mary L. Parker (with accompanying papers);

A bill (S. 5055) granting a pension to Hulda Dodds (with accompanying papers);

A bill (S. 5056) granting a pension to Mary A. Beck (with accompanying papers);

A bill (S. 5057) granting a pension to Everett Goodwin (with accompanying papers); and

A bill (S. 5058) granting an increase of pension to Terresa Willoughby (with accompanying papers); to the Committee on Pensions.

AMENDMENT OF NATIONAL PROHIBITION ACT

Mr. TYDINGS. Mr. President, I have in my hand a bill and a short explanation of it. The bill is not very long; and since it deals with a matter that is sure to come up at this session—namely, the question of amending the Volstead

Act—I ask unanimous consent that the bill and the explanation of it may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 5048) to amend the national prohibition act, as amended and supplemented, with respect to the definition of intoxicating liquor, and for other purposes, was read twice by its title, referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first paragraph of section 1 of Title II of the national prohibition act, as amended and supplemented, is amended to read as follows: "When used in Title II and Title III of this act (1) the word 'liquor' shall be construed to mean intoxicating liquor."

SEC. 2. Section 4 of Title II of such act, as amended and supplemented, is amended by striking out the words "beverage containing one-half of 1 per cent or more of alcohol by volume" and inserting in lieu thereof "intoxicating liquor."

SEC. 3. The last three paragraphs of section 37 of Title II of such act, as amended and supplemented, are amended to read as follows:

"A manufacturer of any nonintoxicating liquor may, on making application and giving such bond as the Commissioner of Industrial Alcohol shall prescribe, be given a permit to develop in the manufacture thereon by the usual methods of fermentation and fortification or otherwise an intoxicating liquid such as beer, ale, porter, or wine, but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic contents thereof shall, under such rules and regulations as may be prescribed under this act, as amended and supplemented, be reduced to a point where such liquid is not an intoxicating liquor: *Provided*, That such liquid may be removed and transported, under bond and under such regulations as may be prescribed under this act, as amended and supplemented, from one bonded plant or warehouse to another for the purpose of having the alcohol extracted therefrom. And such liquid may be developed under permit, by persons other than the manufacturers of nonintoxicating liquors, and sold to such manufacturers for conversion into such nonintoxicating liquors. The alcohol removed from such liquid, if evaporated and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors. Credit shall be allowed on the tax due on any alcohol so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved.

"When fortified wines are made and used for the production of nonbeverage alcohol, and nonintoxicating dealcoholized wines, no tax shall be assessed or paid on the spirits used in such fortification and such dealcoholized wine produced under the provisions of this act, whether carbonated or not, shall not be subject to the tax on artificially carbonated or sparkling wines, but shall be subject to the tax on still wines only.

"In any case where the manufacturer is charged with manufacturing or selling for beverage purposes any intoxicating liquors, or in any case where the manufacturer, having been permitted by the Commissioner of Industrial Alcohol to develop an intoxicating liquor such as ale, beer, porter, or wine in the manner and for the purpose herein provided, is charged with failure to reduce the alcoholic content of any such liquid to a point where such liquid is not an intoxicating liquor before withdrawing the same from the factory, then in either such case the burden of proof shall be on such manufacturer to show that such liquid so manufactured, sold, or withdrawn is nonintoxicating liquor. In any suit or proceeding involving the alcoholic content of any beverage, the reasonable expense of analysis of such beverage shall be taxed as costs in the case."

SEC. 4. Any offense in violation of, or any right, obligation, or penalty, or any seizure or forfeiture, based upon any provision of the national prohibition act, as amended and supplemented, or any regulation or permit issued thereunder, committed, accruing, or incurred, respectively, prior to the date this act takes effect, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been passed.

SEC. 5. All permits issued under the national prohibition act, as amended and supplemented, before this act takes effect shall, after the date this act takes effect, be valid with respect to intoxicating liquor as defined in section 1 of Title II of such act, as amended by section 1 of this act, to the same extent as such permits are, at the time this act takes effect, valid with respect to intoxicating liquors as defined by section 1 of Title II of the national prohibition act prior to its amendment by section 1 of this act.

SEC. 6. There shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent, or more, of alcohol by volume, brewed or manufactured and hereafter sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax at the rate of 16 cents per gallon, to be collected under the provisions of existing law. The brewer or manufacturer of any such liquor shall, before engaging in business, qualify as a brewer under the internal revenue laws, and for the purposes of the internal revenue laws shall be considered a brewer.

SEC. 7. At the expiration of three years from the date this act takes effect there shall be established in the Treasury a special fund to be known as the unemployment reserve fund into which shall be covered all revenues thereafter derived under section 6 of this act until there shall have been accumulated in such fund the sum of \$5,000,000,000, after which time all such further revenues shall revert to the general funds in the Treasury.

SEC. 8. The funds in the unemployment reserve fund established by section 7 of this act shall be retained by the Secretary of the Treasury for use in times of depression and widespread unemployment to finance such programs of emergency unemployment-relief work as the Congress shall by law direct.

SEC. 9. This act shall take effect _____ days after its enactment.

The statement accompanying Senate bill 5048 was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

The prohibition enforcement act, commonly called the Volstead Act, was designed to carry out the provisions of the eighteenth amendment.

The eighteenth amendment prohibits the "manufacture, sale, or transportation of intoxicating liquors * * * for beverage purposes." The Volstead Act should deal with the prohibitions of the amendment and fix penalties for "the manufacture, sale, or transportation of intoxicating liquors * * * for beverage purposes." It has no other reason for existing.

But the Volstead Act, as originally drawn, covers more territory and usurps more authority than is contained in the eighteenth amendment. It—the Volstead Act—makes it a crime to manufacture alcoholic beverages which are not really "intoxicating liquors." Thus, it went further than the prohibitions of the amendment. For example, no one contends that an alcoholic beverage containing three-fourths of 1 per cent of alcohol by volume is an "intoxicating liquor," but the Volstead Act so declares, stating that any "beverage containing one-half of 1 per cent, or more, of alcohol by volume" was "intoxicating liquor."

My bill seeks to enforce the eighteenth amendment 100 per cent and eliminates from the present Volstead Act the penal provisions for "the manufacture, sale, or transportation" of alcoholic liquors which are not in reality "intoxicating liquors." I maintain, therefore, that no honest constitutional dry can justly criticize this bill, for it preserves every prohibition of the eighteenth amendment. The sole question, therefore, if my bill is adopted, would be, Is the alcoholic beverage an intoxicating liquor? If it is, then it comes within the amendment and is unlawful. If it is not, then it comes without the amendment and is not unlawful. That is what the amendment says and that is what the enforcement act should say. To have the enforcement act cover more ground than that is nothing more or less than a usurpation of power by Congress not conferred upon it by the amendment itself.

The bill further provides an excise tax of 16 cents a gallon, or 2 cents a pint, on alcoholic beverages containing more than one-half of 1 per cent of alcohol by volume but not so high in alcoholic content as to be an "intoxicating liquor." It makes various amendments in the present act as to administration, etc.

It provides that, immediately upon the act taking effect, all revenue derived from beer shall become part of the General Treasury revenues, but that after three years from the date of the act these moneys shall be kept by the Treasury in a special fund to be known as the "unemployment reserve fund," and these beer revenues shall accumulate until they reach the total of \$5,000,000,000, when beer revenues shall again revert to the General Treasury.

The "unemployment reserve fund" so created is retained by the Secretary of the Treasury for use in times of depression and widespread unemployment to finance such programs of emergency employment-relief work as Congress shall by law direct.

PROHIBITION AMENDMENT OF THE CONSTITUTION

Mr. BLAINE. Mr. President, I ask unanimous consent to make a very brief statement in connection with the presentation of a joint resolution for an amendment to the eighteenth amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none.

Mr. BLAINE. Mr. President, the joint resolution which I am about to propose amends the eighteenth amendment.

The effect of the joint resolution is to effectuate a complete repeal of the eighteenth amendment and to take out of the Federal Constitution the power of Congress relating to prohibition, except in so far as the Congress may assist the several States which desire prohibition in the protection of those States.

Moreover, the joint resolution proposes to amend the interstate commerce law so as to make intoxicating liquor for beverage or other purposes, for use in States which prohibit intoxicating liquors, subject to the laws of such States, leaving all other States which choose to adopt any system of liquor control free to legislate without any constitutional inhibition or control by the Congress.

I ask that the joint resolution be printed in full in the RECORD, and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, that order will be made.

The joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment is hereby proposed to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. The eighteenth article of amendment of the Constitution of the United States is hereby amended to read as follows:

"ARTICLE XVIII

"SECTION 1. The provisions of clause 3 of section 8 of Article I of the Constitution, vesting in the Congress the power to regulate commerce with foreign nations and among the several States and with the Indian tribes, shall not be construed to confer upon the Congress the power to authorize the transportation or importation into any State or Territory of the United States for use therein of intoxicating liquors for beverage or other purposes within the State or Territory if the laws in force therein prohibit such transportation or importation; and any such transportation or importation of intoxicating liquors into any State or Territory for use therein in violation of its laws is hereby prohibited. If any such transportation or importation of intoxicating liquors in violation of law is made, the liquors so transported or imported shall become subject to the laws of the State or Territory on arrival therein.

"SEC. 2. The Congress shall have the power to enact laws in aid of the enforcement of, and not inconsistent with, the laws enacted by any State or Territory of the United States which has prohibited the transportation or importation of intoxicating liquors for beverage or other purposes into such State or Territory for use therein."

AMENDMENT OF THE NATIONAL PROHIBITION ACT

Mr. BINGHAM submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor, which was ordered to lie on the table and to be printed.

ASSISTANT CLERK, COMMITTEE ON BANKING AND CURRENCY

Mr. NORBECK submitted the following resolution (S. Res. 287), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Banking and Currency is hereby authorized to employ an additional assistant clerk during the second session of the Seventy-second Congress, to be paid at the rate of \$1,800 per annum out of the contingent fund of the Senate.

PANIC CONDITIONS, PROBLEMS, AND REMEDIES

Mr. HULL. Mr. President, I ask unanimous consent to have printed in the RECORD two news statements of mine on economic subjects.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. CORDELL HULL, NOVEMBER 20, 1932

Numerous economic problems and conditions, equally pressing and differing only in degree in their intimate relation with business recovery, imperatively call for basic treatment either by the United States alone or by it and other countries under its leadership. Our 30,000,000 impoverished farm population are demanding relief from their mortgage indebtedness of \$9,260,000,000; the allied governments are demanding relief from their indebtedness of \$11,000,000,000; international trade is bound hand and foot by every sort of arbitrary restriction; our Federal, State, and local budgets, hopelessly out of balance, present gaping deficits calculated most seriously to affect public credit; the financial distress of the railroads could scarcely be more threatening; the panic-ridden American taxpayers, groaning under an overload of taxes; most organized minorities making almost impossible demands on public treasuries everywhere; unprecedented tariffs and exchange restrictions rendering it impossible for debtor countries to pay debts without complete extinction of their gold reserves; breakdown of the processes of distribution and exchange; vast unemployment, with collapse of high wages and high living standards; impossible surpluses piling higher and higher in this and certain other countries, with accompanying slump in commodity prices;

maldistribution of gold; frightful conditions of monetary instability in many parts of the world; and each nation under American leadership still foolishly and futilely striving to live by itself.

It is in the face of these monumental difficulties that must be surmounted in the early future that the allied nations owing our Government request us first to single out their item of indebtedness at an impossible time, and grant their request for leniency. All creditors, public and private, should always be considerate toward their debtors, as I am sure our Government has been and is. Foreign governments, however, underestimate the breadth and depth of the panic conditions that must be grappled with in a fundamental way before either they or we can return to sound and permanent business prosperity.

Economic disarmament and military disarmament are patently the two most vital and outstanding factors in business recovery. Their solution has been dodged and delayed for three years, with the result that the ravages of the panic continue almost unabated. The Hoover administration has not pretended to offer any basic remedies, but only temporary panaceas or tonics. Industrial civilization—all civilization—here and everywhere, will soon be most seriously threatened unless statesmanship immediately can summon sufficient vision, resolution, and constructive ability to undertake the speedy and fundamental solution of these critical conditions.

Without the slightest reference to the merits of the foreign debts due our Government, however important they may be, they were not a major cause of the panic, nor are they a major remedy. This country loaned Europe ample moneys with which to make the payments received by us prior to 1930, while the annual payments due at present amount to only 2 or 3 per cent, or less, of the budgets of the debtor countries.

The strangulation of international trade from what would be a normal level under the pre-war ratio of increase, of near \$55,000,000,000 down to \$12,000,000,000, by extreme tariffs, quotas, embargoes, and exchange restrictions, constituted the greatest single cause of the panic, while its restoration is an indispensable prerequisite to the redistribution of gold, monetary stabilization everywhere, and the payment of external indebtedness, both public and private, by all countries.

Of what avail would it be to sidetrack the war debts upon the theory of increasing international trade, while leaving intact the insurmountable tariff and other trade and finance obstructions that bristle on every national frontier and render trade virtually as impossible without war debts as with them? Suspending war debts does not lower one inch these skyscraping barriers, which under American leadership have been carried to the wildest extreme in every part of the world. Nor could such suspension but temporarily strengthen the financial structures of the debtor countries unless and until somewhat of a normal flow of international finance and commerce is first restored.

The business of all nations is on an artificial basis. The world is in a state of bitter economic war. In proceeding with the herculean and prerequisite task of economic disarmament and military disarmament, the first big question for determination is whether nations singly and jointly shall devise credit and trade policies calculated to raise the prices of primary commodities to a higher and healthier level, thereby correspondingly relieving debtors, and restoring our normal economic life, or whether there shall be a scaling of both public and private indebtedness, either by reduction of interest or principal, or both. In the second place, and in any event, the liberalization of exchange and other trade restrictions, including the lowering of excessive tariffs by important countries simultaneously, offer the most vital and single major remedy for the panic.

There is no other course by which this country can permanently restore employment and rehabilitate agriculture. The remedy in each instance is to sell our surplus. Ruthless economy must also be practiced. This and other countries, unless they would run the risk of further uncertain and unsound business conditions, must, without further suicidal delay, choose between moderate tariffs and liberal trade policies, which would contemplate full employment of labor with the highest living standards, and the restoration of agriculture, or they must choose the present policy of virtual embargo tariff and trade obstructions, with output of production limited to domestic consumption, and with pools, valorization, pegging of prices, subsidies, bounties, and subventions daily clamored for at the seat of government by most important groups and industries. This latter policy is utterly at war with modern progress when we reflect that three-fourths of the 2,000,000,000 world population to-day and since 1920 are living below the poverty line.

The blind, selfish, and dumb economic leadership of this country since 1920, and its type in other countries, should be summarily thrown out of power and a leadership substituted which, while disclaiming economic internationalism, would challenge economic nationalism and pursue a sane, liberal, middle course in the conduct of our domestic and international economic affairs. Let other governments first be asked to define their attitude on these critical phases—these major obstructions to trade and finance—to the end that both individual and concerted action of the nations in support of a comprehensive relief program including all debts may be had. This Government could then consider these foreign-debt applications separately and individually, but concurrently with the consideration of trade, monetary and tariff problems, and policies by a world economic conference.

STATEMENT OF HON. CORDELL HULL, DECEMBER 4, 1932

Every citizen in every country just now is interested in early business recovery. Two courses to restore business have been suggested. One is to ignore the fundamental impediments to its restoration and apply stimulants to check the more aggravated phases of the depression, in the hope that prosperity would then gradually return. The other would contemplate the outright removal of the barriers and obstructions which clearly stand in the way of the return to normal trade, finance, and production. This latter course thus far has not been attempted by any country. Action by governments is largely necessary to get rid of these obstructions. Some difficulties are purely domestic, such as Federal, State, and local budgets and taxation, comprising the task of ruthless economy and retrenchment.

If, however, confidence is to be regained and primary commodity prices raised so as to permit the gradual restoration of markets for agriculture and manufacturing, and the resumption of employment of labor and capital at home, nothing is more clear than that such impediments as rigid exchange restrictions must be liberalized and insurmountable tariffs, quotas, and embargoes must be lowered to a reasonable extent. Any State paper seriously suggesting any comprehensive program of real business improvement that excludes these great major factors is fatally weak and is no credit to modern statesmanship. If a dislocated business world ignores these fundamental factors now, a bankrupt business world later will be jarred into its senses and will then hasten to solve them.

The fundamental principle of sound economic policy thus leading back to business recovery is apparent but the great difficulty is to secure the necessary support for the adoption of the steps suggested by such policy. This and other governments thus far have not only failed to carry out this policy, either individually or in concert, but each has deliberately ignored both the existence of the powerful barriers to business recovery and the necessity for their removal. Governments instead are still wildly and madly erecting every additional obstruction against imports, while at the same time bestowing every possible subsidy on exports—a policy as contradictory as it is disastrous.

The United States since 1920, with its greatly superior power and prestige, having led other countries to these unprecedented heights of tariff and other trade obstacles, should proceed now to lead in the opposite direction of sanity and sound business recovery. To this end it is my individual opinion that our Government should propose to other governments, acting individually and separately, the carrying out of a common policy of discontinuing any further increases of tariff and similar trade obstructions, and of effecting a horizontal reduction of 10 per cent of their respective permanent tariff rates. Our Government, as an evidence of its good faith, should announce its unqualified purpose thus to take the lead. Reciprocal commercial treaties based on mutual tariff concessions and, as nearly as possible, the unconditional favored-nation policy if other governments will agree, would greatly supplement the usual legislative method of tariff readjustment. Reorganization of the Tariff Commission and the repeal of the flexible provision are highly advisable.

Each government could well be requested to consider a policy discontinuing artificial protection for any individual business that is patently inefficient on account of antiquated plant, or incompetent management, or hopelessly inflated capital structure, or for a business that is clearly not economically justifiable. All efficient industry would thereby be placed upon a much healthier and more prosperous basis.

Each government likewise could well agree to discontinue all substantial subsidies to exports and trade practices manifestly unfair or discriminating and in open violation of the doctrine of equality of treatment. Our Government should take the lead in adopting these policies, and should urge other nations in concert to do likewise.

Nothing is more clear than that surplus production here and elsewhere will become more burdensome with continued low prices and increasing unemployment, and that our almost dried-up international capital and money markets will still further prevent almost any kind of payments across national boundaries in connection with either trade or money obligations until and unless unprecedented exchange restrictions are loosened and liberalized.

Without reference to the merits of government debts due us, each important country, before seeking separate and preferential consideration of their claims for further reduction, should first indicate their attitude toward this broader and more fundamental program.

This Government, individually, could then hear and consider the applications of our debtor governments for further debt readjustment. This it should do entirely separately from but simultaneously with or following the proceedings of a world economic conference dealing with and acting on tariff policy—not tariff rates—and monetary stability and rehabilitation, credit policy, and economic disarmament generally.

My individual guess is that, as uniformly heretofore, the Democratic Party in charge of the Government after March 4, will have a constructive program soundly interpreting postwar economic conditions, and will be ready for extra sessions of Congress at any and all times that the public welfare may require. I have repeatedly expressed the view that the present deep-seated and chronic panic was largely the result of several years of unsound economic policies, and that it could not be cured overnight.

WAR DEBTS

Mr. COHEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article on war debts by my colleague the senior Senator from Georgia [Mr. GEORGE].

The VICE PRESIDENT. Without objection, that order will be made.

The article is as follows:

[From the Washington Herald of Sunday, Dec. 4, 1932]

SENATOR GEORGE WARNS AGAINST BARTERING DEBT CONCESSIONS FOR TRADE PROMISES—WE ALREADY HAVE CANCELED 43 PER CENT OF MONEY OWED US, HE SAYS

(By WALTER F. GEORGE, United States Senator from Georgia and member of the Senate Finance Committee)

The request of European debtors now before the President may be separated into two parts. First, postponement of debt payments due in December; second, reconsideration of the war debts themselves. The substantial reason given in support of the first request is the desire of the debtors to be relieved of the debts outright.

The payment of \$95,000,000 by Great Britain on December 15 does not support the fear expressed concerning the pound sterling.

We have just passed through a political campaign. Generally the Members of the Congress have committed themselves against cancellation, further reduction, or the extension of the moratorium. It seems reasonable to suppose that the Congress will deny the request for reexamination of the whole debt problem.

Additional reasons why the request to postpone the December payments and the plea for reconsideration of the debts themselves should be denied is found in the pressing need of our Government for revenue.

A reexamination of the fiscal policies of the Government of the United States and of the condition of the Treasury is imperative. It is believed, and the belief rests upon substantial foundation, that our Budget will not justify the postponement of payments due from the European debtor nations at this time.

PAYMENTS TOTAL LESS THAN HALF COST TO TREASURY

The total of these payments will represent less than one-half of the actual cost to the Treasury and the American taxpayer on the loans which they represent for the reason that the interest upon Government bonds issued and sold for the purpose of providing the money advanced to the debtors exceeds the amount of the payment which may be expected from the debtors on December 15.

More than \$3,000,000,000 advanced by the United States to European debtors was used for domestic reconstruction. The amount may be much larger. The sum used for industrial and agricultural rehabilitation, whatever it is, must stand on substantially the same basis as loans made to Europe on private account.

The sum advanced each debtor for domestic reconstruction should, in justice to the American taxpayer, bear approximately the same rate of interest charged for similar advances on private account. On a basis of 4 per cent under the terms of the debt funding agreements, all of the debtors combined have agreed to pay us slightly less than 49 per cent of the total of the sums due.

On a 4½ per cent basis, a little more than 43 per cent of the total of the debts due us was cancelled. Even on a 4¼ per cent basis Great Britain and six other countries received a reduction of approximately 20 per cent; Belgium and France approximately 53 per cent; Greece about 67 per cent, and Italy a little over 75 per cent.

Notwithstanding the explicit terms of the act creating the Debt Funding Commission the debts were funded and the settlements defended on the basis of each country's ability to pay.

Despite confusion and the apparent effort to confuse, debts and reparations have been kept separate since President Wilson's early declaration on the subject. The relief granted Germany by the European allies furnishes no higher ground for cancellation, further reduction, or postponement of debts due the United States than failure of revenue from any other cause.

From the viewpoint of the American taxpayer the question is whether the burden shall be passed to him or whether it shall rest upon the foreign debtors.

The case for cancellation on its merits, rests at least upon benefits that might accrue to the American taxpayer from increased trade and commerce. Again, it must be noted that the argument applies with exactly the same force to all advances made for domestic reconstruction to the debtor, whether on private account or by the Government.

Who can show how far our commerce would be favorably affected by cancellation, further reduction, or postponement of the payment of the debts.

Former President Coolidge has declared that after the debt settlements and after payments began to be made under the settlements our trade and the trade of the world flourished. In this connection he declared "no one could say that it would have been more or less if cancellation had taken place."

DISARMAMENT—OBVIOUS BENEFITS ARE APPRECIATED

The reply is made that our loans on private account continued and that funds from such loans were used to make payments on

the war debts. Again private loans and advances made by the Government for domestic reconstruction seem to stand upon the same basis.

We are warned that we must accept an unfavorable trade balance if the debts are to be repaid.

It is by no means clear that the debts can be paid only in gold or by the creation of an unfavorable trade balance against the United States.

Our European debtors will in the future apply the ordinary practices of merchandising in their trade and commerce with the United States, as they have in the past. It is impossible to accept estimates of increases. Enduring trade advantages can not be purchased by the cancellation of the debts.

Military disarmament is desirable; its obvious benefits are appreciated. But permanent disarmament must proceed upon more substantial bases than those advanced in the arguments thus far submitted for the cancellation or further reduction of the debts.

Who can say that if the debtors are compelled to pass payments now due or hereafter maturing that the ill effect upon their credit standing so far as it relates to military expenditures may not in the long run become a greater factor for good than any temporary holiday in the construction of military armaments purchased with the cash of the American taxpayer through cancellation of the war debts?

COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. Mr. President, by direction of the steering committee, I ask that the Senator from Maryland [Mr. TYDINGS] be excused from further service upon the Committee on Interstate Commerce, and that he be assigned to service on the Committee on Appropriations.

The VICE PRESIDENT Without objection, that order will be made.

Mr. ROBINSON of Arkansas. I also ask that the senior Senator from North Carolina [Mr. BAILEY] be excused from further service upon the Committee on Military Affairs, and that he be assigned to duty upon the Committee on Interstate Commerce to fill the vacancy created a moment ago.

The VICE PRESIDENT Without objection, that order will be made.

Mr. ROBINSON of Arkansas. I ask that the junior Senator from North Carolina [Mr. REYNOLDS] be assigned to the Committee on Banking and Currency and the Committee on Military Affairs.

The VICE PRESIDENT Without objection, that order will be made.

THE CALENDAR

The VICE PRESIDENT. The morning business is closed. The Calendar under Rule VIII is in order.

Mr. VANDENBERG. I ask unanimous consent that the calling of the Calendar be suspended.

The VICE PRESIDENT Without objection, it is so ordered.

DEATH OF THE LATE REPRESENTATIVE HENRY ST. GEORGE TUCKER

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 301) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY ST. GEORGE TUCKER, a Representative from the State of Virginia.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. GLASS. Mr. President, I present resolutions which I send to the desk, and ask for their immediate consideration.

The resolutions (S. Res. 288) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE CHARLES A. KARCH

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 303) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. CHARLES A. KARCH, a Representative from the State of Illinois.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. GLENN. Mr. President, I send to the desk resolutions and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 289) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES A. KARCH, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE J. CHARLES LINTHICUM

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 300) was read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. J. CHARLES LINTHICUM, a Representative from the State of Maryland.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. TYDINGS. Mr. President, I offer the resolutions which I send to the desk, and ask for their immediate consideration.

The resolutions (S. Res. 290) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. J. CHARLES LINTHICUM, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE JAMES C. McLAUGHLIN

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representative, which will be read.

The resolution (H. Res. 302) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JAMES C. McLAUGHLIN, a Representative from the State of Michigan.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. VANDENBERG. Mr. President, I send to the desk resolutions and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 291) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JAMES C. McLAUGHLIN, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

ADJOURNMENT

Mr. VANDENBERG. Mr. President, as a further mark of respect to the memory of the deceased Representatives I move that the Senate adjourn.

The motion was unanimously agreed to; and (at 1 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 7, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 6, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, our Heavenly Father, that Thou art ever near the whisper-reach of the souls of men. Make us sensitive to Thy overtures, that we may keenly realize the greatness of Thy love, the pity of Thy heart, and the strength of Thy grace; may we hug these riches to our perishing bosoms. Our country, with its manifold needs, is calling us; great tasks are at our doors. Almighty God, be pleased to help